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SIPDIS

DEPARTMENT FOR PRM/AF NNENNA OFOBIKE AND AF/W DANA BANKS
ACCRA FOR EMILY MESTETSKY
ABIDJAN FOR PERLITA MUIRURI

E.O.12958:N/A

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SUBJECT: BENIN'S FY 2008 PROPOSAL FOR THE TAFT FUND FOR REFUGEES

REF: (A) STATE 35430 (B) STATE 6779

¶1. SUMMARY: Based upon consultation with UNHCR/Benin, Embassy Cotonou requests FY08 funding in the amount of 8.2 million FCFA (approximately \$19,700) from the Taft Fund for Refugees to fund micro-credit projects intended for urban-based refugees and Togolese refugees at the Agame refugee camp. END SUMMARY.

¶2. Embassy Cotonou received a proposal endorsed by the local UNCHR office, from the Association de Lutte pour la promotion des Initiatives de Developpement (Association for the Promotion of Development Initiatives) or AliDe, to offer micro-credit projects to 60 urban-based refugees in Cotonou and to 80 camp-based Togolese refugees at the Agame camp in western Benin. UNHCR has already established a partnership with AliDe to enable urban refugees who continue to depend on UNHCR assistance to attain self sufficiency. The Agame Camp's portion of the micro-project is part of a strategy to phase out assistance and assist the refugees with integration.

¶4. AliDe is a microfinance institution born out of the institutional transformation of the savings and lending program of the French NGO Initiative Developpement. Its mission is to offer impoverished families living in poor neighborhoods in Cotonou and the surrounding areas (often excluded from formal credit and savings systems) sustainable access to productive loans, savings, training and guidance. AliDe was licensed by the Ministry of Finance in 2003. It has six agencies and one executive office. AliDe currently has over 5,000 active borrowers.

¶5. The project's primary objective is to provide urban-based refugees and Togolese camp-based refugees with the financial means and know-how to implement income-generating projects which they are motivated to develop and ultimately, to manage them solely and successfully. The project intends to provide a tool that contributes to the enhancement of the capacity of refugees, particularly women, to generate income and move towards self-sufficiency. The idea is that the budget should be considered as a revolving fund, the capital of which should remain unchanged. Costs related to the management of the project, selection and training of beneficiaries, and monitoring and evaluation, will not be deducted from the initial amount allocated for micro financing but will be covered through the interest on the loans.

¶6. As local integration is the primary goal for all refugees in Benin and an ongoing repatriation program for Togolese refugees has meant a simultaneous reduction in assistance to all Togolese refugees, the project will help refugee families to become self-sufficient and fully integrated members of the local community. The project will target especially refugee women, notably those who serve as the sole heads of household and for whom integration has been difficult.

¶7. Like the Togolese, refugees from varying countries (including the Democratic Republic of Congo, Nigeria, Rwanda, Burundi, Chad, Cote

d'Ivoire and others) living in urban areas of Benin require integration programs such as this micro-credit project, in order to provide them with skills necessary to provide for themselves and their families without relying on assistance from UNCHR and its partners. Such a program is of particular importance at the urban level, as UNHCR discontinues assistance to long standing refugees under the assumption that newly arrived refugees should have priority and long standing refugees should be integrated into the local community.

¶18. UNHCR lacks the funds to assure enough micro-projects for both urban-based refugees and Togolese refugees in Agame. It is for this reason that UNHCR and its partner, AliDe, hope to implement this project with the assistance of the Taft Fund for Refugees.

¶19. Embassy Cotonou has confirmed that AliDe has an appropriate signed code of conduct for humanitarian workers. Embassy Cotonou also certifies that it has authority and capacity to award a grant to AliDe by the end of the fiscal year for the management and implementation of the micro-credit projects as described above.

¶10. PRM's careful consideration and approval of this request will be greatly appreciated.

BOUSTANI